

CITIZENS FIRST State Bank

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September 13, 2005

Mr. John F. Carter
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square
San Francisco, CA 94105

RE: Wal-Mart Stores, Inc. FDIC Application #2001977

Dear Mr. Carter:

I am writing to oppose the above referenced application by Wal-Mart Stores, Inc. for the purchase of a Utah industrial loan company and for federal deposit insurance. My reasons are as follows:

- While Wal-Mart is saying that they do not intend to pursue retail banking markets and will limit their activities to process credit and debit card transactions for themselves, it is short sighted to think that this is not in their long term business plan. Review of their past attempt to enter banking and even a review of their current application make it clear that this is their first step into retail banking. They should just say so up front.
- When Wal-Mart enters the retail and small business banking market it will be the end of the banking system as we know it. While that sounds far fetched all one has to do is review what they have done to retailing in the past 30 years to know that is true. If they grow their banking business as they have their retail merchandising business then they will pose a huge threat to the bank insurance fund, and probably to the banking system itself. Our bank regulatory bodies are struggling to keep the largest banks under control now. How would they ever cope with a bank the size of Wal-Mart? And this does not even mention the mixture of banking and commerce and the problems that would present.
- Wal-Mart claims to promote competition, but in actual fact they abhor competition, and their sheer size alone allows them to stifle competition in markets in which they compete. Their size allows them to undercut the competition in a market until the manage to drive any competitors away or leave them in a such a weakened state that they no longer provide true competition.

- Finally, allowing Wal-Mart into banking would be another nail in the coffin of rural American businesses. We have three Super Wal-Marts within a 25 mile radius of our community. In the past 10 years I have watched as they have been a factor in closing our drug store, one hardware store and several small retail shops. I am now watching our remaining hardware store and our grocery store move toward closing as well, which will essentially leave no retail merchandising businesses in our community. This bank is one of the few remaining bright spots in our local economic picture. At least we can do our banking and buy our gasoline locally. Since two of the three Super Wal-Marts have now installed gas pumps I'm sure we will lose one of our fuel stations. If they install bank branches in Wal-Marts and use their retail pricing tactics and financial clout to put us out of business, I guess we may as well roll up the sidewalks and move to the Wal-Mart condos, right next to the Wal-Mart newspaper building and just down the street from Wal-Mart TV and radio in Wal-Mart Village USA. How many markets does a business have to dominate before it becomes a monopoly?

Therefore I respectfully ask that the FDIC deny Wal-Mart's application and preserve the highly competitive and efficient banking system we now have in this country. In this case what is right for Wal-Mart is not right for America.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kent J. Siltman", written in a cursive style.

Kent J. Siltman
President & CEO